

California Franchise Tax Board *at a glance*



Serving the Public Daily

HISTORY



In 1929, the Legislature created the office of the Franchise Tax Commissioner to administer California's new Bank and Corporation Franchise Tax Act. This was the first agency created for tax administration since the adoption of the state Constitution in 1879, a major departure from the accepted pattern of assigning new taxes to the Board of Equalization and the State Controller.

In 1950, California abolished the office of the Franchise Tax Commissioner and created the Franchise Tax Board. Board members are the State Controller, the Director of Finance and the Chair of the State Board of Equalization. The chief administrative official is the executive officer of the Franchise Tax Board.

Members of the Franchise Tax Board:

Kathleen Connell, Chair
John Chiang, Member
B. Timothy Gage, Member

CALIFORNIA FRANCHISE TAX BOARD AT A GLANCE

BACKGROUND

Our primary job at the Franchise Tax Board is to administer California's Personal Income and Corporation Tax Laws. Over the years we have also been given additional responsibility to administer certain non-tax programs such as the Homeowner and Renter Assistance Program, Political Reform Act Audits, and certain non-tax collection programs.

In administering these programs, we assist you in many ways. Tax assistance is available around the clock through our toll-free telephone assistance line and by using the wealth of information available on our Website. You can also stop by and visit us at one of our 16 field offices, located throughout the state. We offer many other types of assistance to you and we explain them later in this brochure. We designed this brochure to give you some history about our department and to serve as a guide to the many resources available to you.

OUR MISSION

The purpose of the Franchise Tax Board is to collect the proper amount of tax revenue, and operate other programs entrusted to us, at the least cost; serve the public by continually improving the quality of our products and service; and perform in a manner warranting the highest degree of public confidence in our integrity, efficiency and fairness.

PROGRAMS

PERSONAL
INCOME TAX

What follows is a brief description of the major programs we administer.

Each year, Californians file more than 14 million state personal income tax returns. The Personal Income Tax program generates more than \$41.5 billion annually. This amounts to 56.3 percent of the state's general fund.

California taxes residents on their income from all sources and nonresidents on income derived from California sources. The California tax form starts with the federal adjusted income, then provides for adjustments between federal and state tax laws.

CORPORATION
TAX

Corporations file nearly 479,000 tax returns each year. As a result, the Corporation Tax program generates more than \$6.7 billion annually. The corporation franchise tax is called a franchise tax because it is paid for the privilege of doing business in the state.

California follows the unitary method of taxation for corporations doing business both within and outside of California. If two or more corporations are engaged in a unitary business and derive income from sources within and outside of California, the members of the unitary group that are subject to California's franchise or income tax are required to apportion the combined income of the entire unitary group in order to compute the measure of the tax.

**HOMEOWNER
AND RENTER
ASSISTANCE**

For the 2000 claim year, we processed and paid approximately 650,000 Homeowner and Renter Assistance claims, which totaled more than \$314 million in assistance. Individuals who were 62 years old, blind, or disabled as of December 31, 2000, with total household income of \$35,241 or less in 2000 could qualify to file for the 2001 claim year. The filing period for these claims was July 1 through October 15, 2001. However, if you file your 2001 claim after October 15, 2001, and before June 30, 2002, we will still accept your claim, but you may experience a considerable delay in processing.

For the 2001 and subsequent claim years, legislation was passed that permanently increased the amount of the assistance payments by 45 percent above the 1999 claim year level.

**POLITICAL
REFORM ACT
AUDITS**

Passed as a measure by the voters of California, the Political Reform Act of 1974 directs us to audit reports and statements filed by candidates for public office, political committees, and lobbyists with the Secretary of State or local filing officers.

NON-TAX COLLECTIONS

The California Legislature has mandated that we assist certain other state, county, and city agencies in account collections. We currently provide assistance in the collection of delinquent:

- Child support.
- Vehicle registration.
- Court-ordered debt.
- Fines imposed for labor law violations.

In 1999, the California Legislature increased our role and responsibility within the child support program. As an agent of the new Department of Child Support Services, we will develop, implement, and maintain a statewide automated child support system. In addition, we will now assist statewide with delinquent child support collections.

INTERAGENCY INTERCEPT COLLECTION PROGRAM

Many of California's citizens owe delinquent sums of money to other government agencies. Ironically, at the same time that some taxpayers owe other government agencies money, they may have a refund due from Franchise Tax Board. Franchise Tax Board operates the Interagency Intercept Collection Program on behalf of the State Controller's Office. Since 1975, Franchise Tax Board has been intercepting the tax refunds of individuals who owe delinquent amounts to other California state and local agencies. In 1985, the Legislature empowered FTB to also intercept California Lottery prizes. Once intercepted, the refunds and lottery prizes are redirected to the agencies to which the debts are owed.

SERVICES

VOLUNTEER INCOME TAX ASSISTANCE/TAX COUNSELING FOR THE ELDERLY

At more than 1,100 sites throughout California, we provide trained volunteers who give free tax assistance to low-income, senior, disabled, military, and non-English speaking people who need help filing simple federal and state income tax returns.

Visit our Website at **www.ftb.ca.gov** or call (800) 852-5711 to find the volunteer tax assistance location nearest you.

AUTOMATED TOLL-FREE PHONE SERVICE

Our automated toll-free phone service is available 24 hours a day, seven days a week, in English and Spanish. You can order current tax forms and publications, check on the status of your refund, balance due, payments received, or get answers to the most frequently asked tax questions.

Call (800) 338-0505

BILINGUAL TELEPHONE ASSISTANCE

Assistance is available by calling (800) 852-5711

HEARING IMPAIRED TELEPHONE ASSISTANCE

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments, please call TTY/DDD (800) 822-6268. For all other assistance, please call (800) 852-5711.

**OTHER
TELEPHONE
SERVICES**

We provide toll-free telephone service from 7 a.m. until 8 p.m., Monday through Friday, and 8 a.m. to 5 p.m. on Saturdays. We may modify these hours without notice to meet operational needs.

From within the United States, call (800) 852-5711

From outside the United States, call (not toll-free)
(916) 854-6500

For federal tax questions, call the Internal Revenue
Service at (800) 829-1040



PERSONAL ASSISTANCE

Making it easier for Californians to get tax assistance is the emphasis behind our 16 field offices located throughout the state. You can visit the Franchise Tax Board and other California tax agencies and speak with a representative face-to-face. The Franchise Tax Board's office hours are Monday through Friday 8 a.m. to 5 p.m.

We have organized 11 of our offices as Taxpayer Service Centers to offer you better access to all state tax services. Located across California, these service centers bring together state tax agencies that Californians routinely work with, such as the Franchise Tax Board, the State Board of Equalization (BOE) and the Employment Development Department (EDD).

Taxpayer Service Centers	Address	Participating Agencies
Bakersfield	1800 30th St., Ste. 370	FTB, BOE, EDD
Fresno	2550 Mariposa St., Rm. 3002	FTB, EDD
Long Beach	4300 Long Beach Blvd., Ste. 700B	FTB, EDD
Oakland	1515 Clay St., Ste. 305	FTB, BOE
Sacramento	3321 Power Inn Rd., Ste. 250	FTB, BOE, EDD
San Bernardino	464 West 4 th St., Ste. 454	FTB, EDD
San Francisco	455 Golden Gate Ave., Ste. 7400	FTB, BOE
Santa Rosa	50 D St., Rm. 100	FTB, BOE, EDD
Stockton	31 East Channel St., Rm. 219	FTB, BOE, EDD
Van Nuys	15350 Sherman Way, Ste. 100	FTB, EDD
Ventura	4820 McGrath St., Ste. 270	FTB, BOE, EDD
Other Field Offices		
	Address	
Los Angeles	300 So. Spring St., Ste. 5704	
San Diego	7575 Metropolitan Dr., Ste. 201	
San Jose	96 N. Third Street, 4 th Floor	
Santa Ana	600 W. Santa Ana Blvd., Ste. 300	
West Covina	100 N. Barranca St., Ste. 600	

INTERNET SERVICES

From our Website you can find out how to:

- e-file your tax return,
- download and print current and prior year forms and publications,
- get information about current law changes, legal rulings and notices, and press releases,
- read answers to frequently asked questions,
- obtain other general information about the Franchise Tax Board,
- get current year tax refund information,
- find out more about our electronic services,
- check your refund status,
- use fillable forms.

You can also email your technical tax questions to us through the Internet. Because of security concerns, when you use email for your questions, please do not include confidential information.

Visit our Website at: **www.ftb.ca.gov**

EASIER FILING METHODS



The 540 2EZ Booklet goes to about 1.9 million people. What makes this form easy? There are fewer lines and less math because the standard deduction and your personal and dependent credits are built into the tax table.

This booklet also gives you the option of phoning in your state income tax return. Telefile is fast, free, and easy. It takes less than 15 minutes to complete. You simply call a toll-free number and respond to questions asked by an automated phone system.



You can e-file and get your refund quickly. You can e-file 24 hours a day, 7 days a week beginning January 11, 2002. To e-file, you can go to **www.ftb.ca.gov** to locate a web-based tax preparation software or you may purchase software at the store. Most software uses a question and answer format and provides help buttons when you're not sure about how to answer. All software provides a completed tax return to print and keep for your records.

You can also ask your tax preparer to e-file for you. See the list of IRS/FTB approved e-file providers on our Website.

Choose direct deposit and have your refund deposited into your bank account 5-7 days after you e-file.

For more information about e-file and other services, visit our Website at: **www.ftb.ca.gov**.

EASIER PAYMENT METHODS



Whether you e-file or file by mail, you can use your Discover/Novus, MasterCard, or American Express card to pay your personal income taxes (your balance due, extension payment, or estimated tax payment). There is a fee for this service. This fee is paid directly to Official Payments Corp. based on the amount of your tax payment. To find out more about using your credit card to pay, visit **www.ftb.ca.gov**, call (800) 272-9829, or go to **www.officialpayments.com**.

You can also pay your balance due by requesting electronic funds withdrawal from your bank account. You pick the date - on or before April 15, 2002.

YOUR RIGHTS AS A TAXPAYER



We hope to make your interaction with us as helpful, courteous, and convenient as possible. Our goal is to make certain we protect your rights, so that you have the highest confidence in the integrity and fairness of our state tax system. The California Taxpayers' Bill of Rights brochure (FTB 4058C) includes information on your rights as a California taxpayer, the Taxpayer Advocate Program, and how you can request written advice from us. You can order FTB 4058C by calling us or downloading it from our Website.

FTB ASSISTANCE

Internet Site: www.ftb.ca.gov

- Locate an e-file provider near you.
- Find software to prepare and e-file your return.
- Download, view, and print California and federal tax forms.
- Check on refund information.
- Find answers to questions.
- Send an email to the executive officer.

GENERAL ASSISTANCE PHONE NUMBERS

Automated Toll-Free Telephone Service (800) 338-0505

- Get current year tax refund, balance due, and payment information.
- Order California and federal tax forms.
- Hear recorded answers to frequently asked tax questions.
- Speak with a customer service representative.

Hours Available to Speak to a Customer Service Representative

If you have a more complicated question that cannot be answered through Internet resources or our general toll-free phone service, please call us. Assistance is available Monday - Friday, 7 a.m. to 8 p.m., and Saturdays from 8 a.m. to 5 p.m.

General Toll-Free Telephone Service (800) 852-5711